

A TRIBUTE TO DR. H. ROBERT
AND LYLIA DAVIS

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 2000

Mr. GOODLING. Mr. Speaker, I am pleased to have the opportunity to recognize the life-long achievements of two of my constituents Dr. H. Robert Davis and Lyla Townsend Davis.

Dr. and Mrs. Davis have lived and worked in Pennsylvania's 19th Congressional District for most of their lives. Over those decades they have been dedicated to ensuring a better future for our young people in Cumberland County. From his years as a family physician to his service as School Board President, Dr. Davis promoted the health and well being of families throughout the community. Of course, his wonderful wife, Lyla, was always at his side, providing love and support and just as much hard work. The Davis's have truly been an inspiration to all who know them.

On March 4, the Bubbler Foundation will honor Dr. and Mrs. Davis for their years of community service. I am pleased to be among the many members of their family, church, friends, and community to recognize and congratulate them for their extraordinary efforts.

PROVIDING TARIFF RELIEF FOR
MACHINERY AND COMPONENTS
USED TO MANUFACTURE DIG-
ITAL VERSATILE DISCS (DVDs)

HON. MAC COLLINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 2000

Mr. COLLINS. Mr. Speaker, I am pleased to introduce today legislation that would provide tariff relief on machinery and components for use in the manufacture of digital versatile discs (DVDs).

DVD, using cutting-edge optical disc technology, provides consumers the highest quality audio and video reproduction. Used both in DVD players as part of a home theater system and in DVD-ROM-equipped computers, these discs have grown enormously in popularity since their introduction in 1997. I have used this technology myself and certainly understand its rapid growth. In the short time since the introduction of DVD hardware, demand for discs that play on these machines has grown from 8 million annually to an expected 394 million in 2000. In fact, it is expected that DVD technology will replace both videocassette tapes and video laser discs as the preferred medium for presentation of movies in the home.

There are at least 17 domestic producers of DVDs, including such electronics and entertainment companies as Time Warner, Panasonic, Sony, and JVC. Panasonic is also a major employer in the state of Georgia, with over 1000 employees in my district alone. In 1997, Panasonic opened the first disc replication facility in the United States to dedicated exclusively to the production of DVDs. Nine hundred Panasonic employees in the United States now produce over four million video discs per month for such movie companies as

Universal, Fox, and Paramount. In total, companies in the United States produce 16.6 million discs a month, all using imported machinery.

DVDs are the "next generation" recorded video media in the marketplace, succeeding video laser discs (VLDs) that were produced in the early 1990s. These machines consist of several components (including a master recording system, injection mold machine, laser encoder, and finishing line) that function together to produce DVDs. Machines that produce DVDs use essentially the same technology as machines used to produce VLDs—a laser encoder creates the desired pits on optical disc media (plastic or glass disc substrates). Recent advancements in technology enable DVDs to hold more recordings on smaller discs than VLDs.

In 1994, Congress passed new, duty free tariff legislation for VLD manufacturing machines. This legislation helped companies like Time Warner (WEA Manufacturing) create and save jobs in the U.S. that were being lost as a result of foreign production of CDs and VLDs. Importantly, this legislation did not adversely affect any U.S. industry because optical disc technology, such as that used in VLDs and DVDs, was first developed overseas and there was no domestic production.

Shortly after passing duty free legislation on VLDs, however, home video entertainment shifted to DVDs. Companies shifted production of VLDs to DVDs using substantially the same systems, and companies like Panasonic began manufacturing DVDs in the U.S. DVD manufacturers import the machines used to make DVDs, purchasing them from the same foreign companies that produced VLD manufacturing machines. Under the established legal principal that legislation should be interpreted to take into account advancements in technology, DVD manufacturing machines should be classified under the same duty free provisions as VLD manufacturing machines. Customs, however, has ruled that DVD manufacturing machines are not classified under the duty free provisions for VLDs, and that the components of DVD manufacturing machines should be classified under 11 separate tariff headings, with an average duty of three percent. This ruling has had the effect of negating the benefits of Congress' 1994 legislation on VLDs.

My legislation would provide tariff relief on imported DVD machinery and components, thus reducing the cost of production for domestic manufacturers. Competition from Taiwan, Japan, and the European Union is very strong. A recent internal study indicated some overseas competitors are trying to sell their DVD discs in the U.S. as low as 75 cents each, compared to a cost of \$1.61 for domestic production.

Reduced production costs would help the seventeen U.S. producers of DVD discs be more competitive and ensure the continued employment of American workers in those companies. Indeed, duties on the discs produced using DVD manufacturing machines actually are lower than the duties now imposed on DVD manufacturing machines. The proposed legislation would remove such inequitable and inverted tariffs, thereby promoting U.S. jobs and manufacturing of DVDs in the U.S. New DVD products are being released each year. Recordable DVDs will be available in 2001. As U.S. consumers respond to the

superior quality of digital sound and images, this legislation will help companies fulfill the demand for digital products and help increase jobs associated with the popularity of this important information technology media.

This legislation also will protect U.S. intellectual property rights. Movie studios have invested heavily in the protection of movie content for DVDs. Keeping production of DVDs in the U.S., rather than in countries that have weaker intellectual property laws and enforcement, will help prevent the mass piracy of software that occurs overseas.

The enactment of this legislation for DVD machinery and components would not injure any domestic producer, and it would ensure the continued growth of jobs and investment in the United States while protecting against the potential loss of valuable intellectual property. I urge my colleagues to support this legislation.

REMEMBERING THE FIRST
SUCCESSFUL HAND TRANSPLANT

HON. ANNE M. NORTHUP

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 1, 2000

Ms. NORTHUP. Mr. Speaker, I rise today to recognize an extraordinary event that took place in my district, Louisville, Kentucky, one year ago. The horizons of medical possibilities were expanded when an amazing team of doctors performed America's first successful hand transplant at Louisville, Kentucky's Jewish Hospital. I am pleased to report that one year later, everything is going well for the patient and four other hand transplants have taken place around the world. We are moving into a new frontier where transplant medicine's boundless capabilities to heal are no longer restricted to the life threatened, but can also apply to those with mechanical ailments. This giant leap in the application of surgical research reflects the dauntless will of doctors to bring the total health of the individual on par with the available science of today.

Such an outstanding achievement is just one example of what can happen when people work together to achieve a common goal. The hand transplant was a joint project of Jewish Hospital, the University of Louisville, and Kleinert and Kutz Associates. This remarkable local partnership is the only one in the country capable of doing a hand transplant. This pioneering accomplishment and other research efforts will have a multiplier effect that can create 1,000 medical jobs in the next five years. But this is just in Louisville, for the effects worldwide are infinite.

We are also reminded to maintain profound respect for those who give. None of this would have happened without the hand, which came from Kentucky Organ Donor Affiliates, the organization that coordinates donation and distribution of body parts in Kentucky, Southern Indiana, and Western Virginia. One person's decision to become an organ and tissue donor can benefit as many as 200 lives. One organ donor can enhance or save the lives of one heart patient, one liver recipient, two lung patients, two kidney patients, one diabetic, two people with impaired vision, three or four burn victims, and over 100 recipients of bone grafts. That is why in February, the House